

## **PENSION BEST PRACTICES ANALYSIS**

**MARCH 16, 2010**

**4:00 P.M.**

**Council Chambers, Second Floor  
Fresno City Hall**

- 1. Continuation of Presentation on current systems – Stan McDivitt**
  - a. Philosophies**
  - b. Assumptions**
  - c. Projections**
- 2. “DROP” program information and discussion**
- 3. Public Comment**
- 4. Adjournment – Chair**

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### **Future Meetings**

March 30	Actuarial Education to Task Force – Bartel Associates
April 13	Definitions of a “healthy” pension fund
April 27	Decisions on comparing Fresno to other pension funds – define how to compare, i.e., comparisons on benefit payouts, ratios, funding levels, etc.?

### **May and June**

Defined Benefit versus Defined Contribution and new hybrid systems  
Public versus private  
Results of comparison data  
Results of study of “cost” of Fresno pension systems  
Labor relations – recruiting impacts, negotiation impacts  
Policy conversation

### **Task Force Objectives:**

The 2010 Pension Best Practices Analysis will review and report on the following key issues facing our pension funds:

- Defining a “healthy” retirement system and ranking the City of Fresno pension systems based on that definition.
- Clearly outlining the “cost” of the City of Fresno pension systems, including the ration of employer/employee cost (“normal cost basis”), and the direct cost paid by the City to the funds for the past ten years.
- Making a prediction about the future of the City’s systems, including the ongoing stability of the systems and the expected ongoing City contribution to the systems for the next several years.
- Comparing the City’s systems to other public and private systems, considering the dependency of the private sector on Social Security (the City employees receive no Social Security benefit upon retirement) and the salary and benefit differences of the public and private sectors.
- Pros and cons of alternative retirement systems, such as defined contribution systems, including the cost/savings to the City and the risks/benefits to the City.
- Recommending any reform initiatives, if any.